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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 18, 2003

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Application of SBC Communications Inc., Michigan Bell Telephone Company,
and Southwestern Bell Communications Services, Inc. for the Provision of In-
Region, InterLATA Service in Michigan, WC Docket No. 03-138

Dear Ms. Dortch:

In its comments in this proceeding TDS Metrocom focused on the poor state of SBC's wholesale billing systems as cause to deny SBC's latest 271 application for the state of Michigan. The problems identified by TDS Metrocom and others prompted the Department of Justice to conclude this week that "[s]erious questions continue to be raised concerning the accuracy of SBC's wholesale billing. The record does not permit the Department to conclude that these concerns are insignificant or that they have been adequately addressed. Thus, the Department is not in a position to support SBC's application based on the current record." Department of Justice Evaluation, July 16, 2003, at 15. New examples of the inadequacy of SBC's wholesale billing systems and processes appear almost daily. Some of TDS Metrocom's most recent discoveries are described below.

Additionally, TDS Metrocom would like to bring to the Commission's attention an investigation just beginning in the state of Wisconsin that if tailored appropriately could serve as a model for the entire SBC Ameritech region to identify and resolve the myriad of wholesale billing problems that remain.

Lack of Notice and Inadequate Information on Adjustments

SBC has recently notified TDS Metrocom that it should expect to see some significant adjustment activity on invoices over the next month. The adjustments will include nearly \$450,000 worth of debits and credits, covering several issues and all three TDS Metrocom states (Illinois, Michigan and Wisconsin). As usual, TDS Metrocom expects

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to come out on the short end of the stick with the net result being that nearly \$150,000 will be owed to SBC.

On the plus side, at least in this case, TDS Metrocom was notified beforehand to expect the crediting and debiting activity. However, the information provided by SBC was woefully inadequate, making it impossible for TDS Metrocom to prepare to reconcile the adjustments with previously billed items. TDS Metrocom was only given a very high level description of the types of adjustments, a summary of the debits and credits (primarily by state), and a list of the codes that will identify the adjustments on bills. In order to perform an audit or reconciliation, information such as bill dates, time frames, rate differentials, wire centers or circuits affected need to be provided by SBC up front. Having adequate data and descriptions up front would minimize and narrow potential disputes and streamline the process for all.

It is critical that this information and written documentation be made available to TDS Metrocom because adjustments usually appear on bills as non-recurring line items with minimal descriptions and no links to the original charges. Unlike the situation described above, many times adjustments show up on bills without any prior notice or explanation, and the descriptions on the bills provide little insight into the reasons for the adjustment. TDS Metrocom has come across two examples of this practice in the last week.

In the first example, a one-time charge of \$1800 suddenly appeared on an invoice. The detailed description that accompanied it was:

JUN 09 2003 INITIAL ONE-TIME CHARGE FOR
ON JUN 09 2003
CUSTOMER AUDIT NUMBER INVENTORY 2002
INTERSTATE - IL

The invoice number on the bill indicated that the adjustment was apparently for a billing from June 2001 - 24 months in the past. However, there was absolutely no information whatsoever on the reasons for the adjustment or what it covered.

A second recent example of a mysterious adjustment was for a one-time charge of \$3600. The description for that adjustment was nearly as vague:

MARCH 24, 2003 ADJUSTMENT OF ONE-TIME SPECIAL ACCESS
CHARGES FROM OCTOBER 4, 2002 THROUGH NOVEMBER 3, 2002
CUSTOMER AUDIT NUMBER INVENTORY 2002

Again, SBC provided almost no description or explanation. Investigating these adjustments will likely occupy resources from both SBC and TDS Metrocom, perhaps unnecessarily if the adjustments are valid. If even a modicum of information was provided with bills or by way of other documentation, many disputes might be avoided altogether and scarce resources would not be wasted by either party.

Root Cause Analysis

TDS Metrocom has argued in several venues that the only way to effectively deal with SBC's widespread wholesale billing problems, which seemingly touch everything from rate application, bill production, performance measurement and dispute resolution, is through a comprehensive root cause analysis. The Public Service Commission of Wisconsin (PSCW) has recently initiated just such a proceeding. This proceeding is an excellent step in the right direction, and with a few alterations could serve as a catalyst for change throughout the SBC Ameritech region.

As stated in the attached Notice of Proceeding, the PSCW's investigation will identify issues, develop corrective action, target completion dates, and address billing-related performance measures. To the extent possible, the proceeding will incorporate the results of investigations in other venues and jurisdictions. TDS Metrocom hopes that the proceeding will develop into a collaborative effort to address problems.

However, there are important limitations to the Wisconsin proceeding that need to be addressed. First and foremost, the proceeding only covers SBC's Wisconsin operations. It is TDS Metrocom's hope that the proceeding will develop into a regional collaborative investigation much like sessions that have dealt with other OSS issues. If other state commissions participate in this effort and accept the results, the true goals of the investigation will be realized.

Another drawback of the PSCW proceeding is that SBC did not voluntarily agree to the commencement of the investigation. TDS Metrocom is concerned that this could lead to the proceeding becoming more like a contested case with countless disputes, as opposed to an effective collaborative effort. This leads to the third problem with the PSCW proceeding. The proceeding is not directly tied to the 271 processes. The docket was opened separately from Wisconsin's 271 investigation, and technically is neither a compliance plan nor linked to conditional 271 approval. In this case, neither a carrot to entice SBC to participate nor a stick to compel SBC action is present because the PSCW has very limited enforcement and fining authority.

The PSCW has constructed a vehicle through which a comprehensive analysis of SBC's wholesale billing systems is possible. With some adjustments to strengthen the process and incorporate the entire SBC Ameritech region, there may be hope yet to improve SBC's wholesale billing performance up to the level demanded by Section 271. TDS Metrocom urges the FCC to do everything in its power to either encourage or compel both SBC and the region's other state public service commissions to adopt the Wisconsin proceeding as their own. Without such an effort, the billing problems identified by all parties in the SBC Michigan 271 proceeding will likely remain unresolved.

Ms. Marlene H. Dortch
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If you have any questions or would like to discuss the issues brought up in this or previous TDS Metrocom filings, please contact me.

Sincerely,

/s/ Mark Jenn
Manager - CLEC Federal Affairs
TDS Metrocom
608-664-4196

cc: Gina Spade
Qualex International

Enclosure

Date Mailed
July 10, 2003

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation into the Wholesale Billing Practices of
Wisconsin Bell, Inc., d/b/a SBC Wisconsin

6720-TI-183

**NOTICE OF PROCEEDING
AND
INVESTIGATION AND ASSESSMENT OF COSTS
AND
PREHEARING CONFERENCE**

Prehearing Conference Date:	Wednesday, July 30, 2003 – 9:00 a.m.
Conference Location:	Public Service Commission, 610 North Whitney Way, Madison, WI (Pecatonica Conference Room, Lower Level)

THIS IS A PROCEEDING, opened on the Commission's own motion, that investigates the wholesale billing practices of Wisconsin Bell, Inc., d/b/a SBC Wisconsin. In the 47 U.S.C. § 271 checklist proceeding, the Commission determined that SBC Wisconsin had passed 100 percent of the MTP Testing Criteria regarding billing and that the record did not indicate the existence of any systematic problems in SBC Wisconsin's billing systems.

During SBC Wisconsin's checklist proceeding, certain billing issues were alleged by competitive local exchange carriers (CLECs). This proceeding will investigate those allegations in depth and develop solutions to any identified problems, using an evidentiary hearing if necessary.

Specifically, this investigation will conduct a comprehensive root cause analysis of alleged billing issues, especially those identified by CLECs in comments filed in docket 6720-TI-170; develop corrective action items if necessary; target completion dates; and assess the adequacy of billing-related performance measures. This investigation will also consider issues or problems related to bills submitted to SBC Wisconsin by CLECs. The Commission is aware that billing-related issues are being addressed in a CLEC User Forum, in regional performance measurement collaboratives and in other jurisdictions. To the extent possible, results from those other venues should be incorporated in this investigation so as to avoid duplication. Consistent with this objective, the Commission directs its staff to meet with SBC Wisconsin and interested parties in a series of prehearing conferences to discuss and resolve

issues and problems related to wholesale billing, all with a view to reducing the number of issues that may require hearing. The staff shall file with the Commission an informational report on the progress of the prehearing conferences by October 1, 2003. The first prehearing conference, however, as discussed below, shall develop an overview as to the further procedure for the docket, which the Administrative Law Judge (ALJ) shall promptly report to Commission thereafter. The ALJ may, in his discretion, extend the first prehearing conference if he believes to do so would produce a more comprehensive and useful report for Commission review. The report may recommend additional actions, such as but not limited to, retaining a facilitator, determining the format of the anticipated evidentiary hearing, and conducting further third-party testing in docket 6720-TI-160.

NOTICE IS GIVEN that the Commission will hold a prehearing conference on Wednesday, July 30, 2003, at 9:00 a.m. in the Pecatonica Conference Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be determined by the ALJ.

The Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of SBC Wisconsin. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from SBC Wisconsin in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

The initial prehearing conference is being held to: (1) identify persons who will actively participate as full parties; (2) identify issues; (3) determine the date and time for additional conferences; (4) specify dates for filing written information; and (5) any other matters that will facilitate the investigative phase of this docket. Additional procedures necessary to conclude the docket, and whether the docket is a contested case, will be determined by Commission order in light of the report from the ALJ. This investigation is pursuant to the Commission's jurisdiction in Wis. Stat. §§ 196.02, 196.03(1) and (6), 196.199(2), 196.219, 196.28, 196.37, other provisions of Wis. Stat. ch. 196 and relevant Commission rules as may be pertinent hereto, and, as necessarily applicable, 47 U.S.C. §§ 251 and 252.

Parties will be bound by the designation of issues and the schedule adopted at the prehearing conference. SBC Wisconsin is hereby designated a party. Persons who consider themselves to be potential parties should participate in the prehearing conference. Any person desiring to become a party shall file a request pursuant to Wis. Stat. § 227.44(2m) and Wis. Admin. Code § PSC 2.21 no later than 14 days from the date of this notice. The request shall be addressed to Administrative Law Judge David C. Whitecomb, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

The Commission does not discriminate on the basis of disability in the provision of programs or services. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

Docket 6720-TI-183

This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the docket coordinator listed below:

Questions regarding this matter may be directed to docket coordinator Nick Linder at (608) 266-8950.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

LLD:MSV:NAL:slg:g:notice\pending\6720-TI-183 SBC Billing Issue docket